

HIGH-TECH INDUSTRIES MEAN OPPORTUNITY IN NEW JERSEY

By Department of Labor Commissioner Albert G. Kroll.

Over the past several decades New Jersey's economy has undergone profound changes. At the Department of Labor we have both charted this change and are reacting to its implications. The most obvious change is the decline in the state's manufacturing base. Manufacturing, at one time the heart and soul of the state's economy is now one sector among many of a robust, constantly evolving and complicated economic landscape.

In charting our current economic standing, we must be aware that we are fighting the headwinds of a "jobless" national economic recovery. And while no state is an island, it is encouraging to note that since the first of the year, New Jersey has been gaining jobs even as the national economy continues to sputter between recession and recovery. Payrolls in New Jersey grew by 34,700 positions from December 2002 through July of this year.

The changes we are witnessing echo the dominant trend in the evolution of our labor market: the reduction in manufacturing jobs and the broad increase of jobs in other sectors of the economy. For instance, even as leisure and hospitality, education and health services, and construction jobs grew since December of 2002, manufacturing lost more than 6,000 jobs. Today, there are 30 percent less manufacturing jobs than there were in 1990. And projections indicate this trend will continue. The good news, however, is that this void is being filled by a new crop of high-tech jobs that have flooded the market and promise to steer New Jersey to strong economic future.

Because these changes are so profound and so disruptive of the lives of workers and employers, the McGreevey administration has made workforce development a major state priority. New Jersey is working aggressively with employers, unions, educational institutions, local governments and other partners to build a workforce development system capable of reacting to these changes. Our goal is to create a partnership that will develop the highly trained, highly skilled, and better educated workforce that our economy demands.

Today the fastest growing industries with the best paying jobs are technology-driven and knowledge-based. One illustration of this phenomenon is the growth in the biotech industry. Nationally its employment has more than doubled while the number of products on the market has increased seven fold over the past ten years.

In New Jersey the growth of biotech has been significant. We are now home to 110 biotech companies which directly employ 7,500 people. What makes New Jersey so desirable

to this important economic cluster is our highly educated workforce and world-class research facilities.

To encourage the expansion of this industry and others, the state is restructuring its higher education system and consolidating its workforce development system to meet the demands of these industries. In support of this effort, Governor McGreevey created the Commission on Jobs Growth and Economic Development to develop a strategic approach to growing high-tech industries.

As a further spur to economic growth, the governor also improved our business attraction program (BEIP) to focus resources on high-tech and biotech industries. The governor is also making technology a core requirement for high school students. Biotech demands highly skilled, highly educated workers; unprecedented cooperation among universities, industry, and government; and a reevaluation of the tools we use to attract and retain businesses.

To reinforce this message, Governor McGreevey addressed a meeting of the nation's governors and stressed the need to focus on education as a key to their states' changing economies. The governor, who is vice chairman of the National Governor's Association Economic Development Commission, told the gathering that each state's economic future depends on creating unprecedented cooperation among universities, industry and government that will create a skilled workforce.

Additionally, as this magazine reported recently, the Department of Labor is embarking on a consolidation of all workforce development programs under a new "Department of Labor and Workforce Development." The aim is to produce the type of workforce that will attract even more high-tech industries to the state. Today's economy richly rewards the skilled and equally punishes the unskilled- we must make addressing the skills gap our top priority.

In the coming months, we will be releasing the results of a demand study that will paint a picture of what types of jobs will be in demand in New Jersey in the future and the skills that will be needed for those jobs. Armed with that information, and based on the efforts of the McGreevey administration, the future of employment in New Jersey looks bright, and our commitment to high-tech industries will make it even brighter.



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